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SENSITIVE

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SUBJECT: EU-LATIN AMERICA SUMMIT: SLOW PROGRESS TOWARD
CLOSER COOPERATION

THIS MESSAGE IS SENSITIVE BUT UNCLASSIFIED.

¶1. (SBU) SUMMARY: At the May 11-12 EU-LAC (Latin America/Caribbean) Summit, the two regions sought strategies for closer cooperation. A striking lack of unity among LAC countries hampered the effort. The meeting produced a "Declaration of Vienna" enumerating common goals, among them the continued pursuit of EU association agreements with LAC countries. Bolivian nationalization projects were a key topic of press briefings during the Summit, at which EU representatives stressed the importance of legal guarantees to maintain investor confidence. On the margins of the official summit, left-wing NGOs, trade unions and church organizations held an "alternative summit" attacking "neo-liberal" free trade agendas. End Summary.

¶2. (U) Under the theme "strengthening the bi/lateral regional strategic association," EU and LAC leaders discussed the importance of regional integration to promote economic growth. In the face of disarray among the regional groupings of the Andean countries and Mercosur, EU representatives appealed to their Latin American partners to work toward integration.

VIENNA DECLARATION

¶3. (U) The Summit produced a "Declaration of Vienna" stating common goals for the EU and LAC. One of the declaration's focal points was continuing the movement toward inter-regional association agreements. It also defined common positions of EU and LAC vis-a-vis U.S. policies: in the fight against terrorism, it stressed the importance of respect for human rights and international law. It appealed to all countries to sign the Kyoto Protocol and expressed full support for the International Criminal Court. Full text:
<http://www.eu2006.at/includes/images/EULAC/EU - LACViennaDeclarationEN.pdf>

LEFTIST STARS MORALES AND CHAVEZ

¶4. (U) The controversial presidents of Bolivia and Venezuela, Evo Morales and Hugo Chavez, drew the most media attention during the summit. In discussing

Bolivia's recent nationalization moves, EU and Austrian representatives stressed the need for legal guarantees to maintain investor confidence. At a May 12 press briefing, Austrian Chancellor Wolfgang Schuessel went further, underscoring that free markets were superior to closed, fragmented ones. Schuessel pointed to the enormous amount of investment needed to exploit oil and gas resources, noting that even countries such as Russia and the Middle Eastern states sought international investment.

15. (U) Chavez and Morales also addressed the "alternative summit," a parallel event organized by leftwing NGOs, trade unions and church organizations staged on May 10-13. The general thrust of the speeches was to exhort governments to abandon the "neo-liberal" free trade agenda.

COMMITTEE FOR DEMOCRACY IN CUBA APPEAL

16. (SBU) On the eve of the summit, the International Committee for Democracy in Cuba (ICDC) - a gathering of prominent international statesmen and intellectuals founded by former Czech President Vaclav Havel in September 2003 to promote democratic change in Cuba - called on summit participants adopt a united, critical attitude to Fidel Castro's Communist regime. Czech Senator Karel Schwarzenberg and German MP Arnold Vaatz presented a declaration that demanded EU member states toughen their approach toward Cuba. They also requested that EU-LAC and UN members make Cuba's new membership in the UN Human Rights Council conditional on observing human rights and freedoms. Most speakers, however, raised doubts about the effectiveness of economic

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sanctions in bringing democracy to Cuba, noting that economic isolation had not effected democratic change. The Czech Embassy also opened a photo exhibition of family members of imprisoned Cuban dissidents. About 20-25 young people with Cuban flags and posters of Che Guevara protested vigorously outside the event venue.

EU AND CENTRAL AMERICA AGREE TO START FREE TRADE TALKS

17. (U) At a May 13 subregional meeting between the EU and Central America following the EU-LAC Summit, parties reached agreement on starting negotiations on an EU-Central America Association Agreement. Chancellor Schuessel concluded that this was "a good example for the other countries in this region." Panamanian Vice-President Samuel Lewis Navarro described the development as an "historic event" that had significance far beyond the economic sector. "This is a strategic agreement which will be very positive for the people of our countries. Central America has already made important adjustments. We will need some time for the negotiations, but we are working on improving our relations," Navarro said. European Commission President Jose Manuel Barroso stressed that Europe and Central America would pursue the common goal of democratization through the trade agreement.

MCCAW